

2020 Kansas Statutes

9-817. Mutual banks; deposits and related powers. (a) Subject to the terms of its articles of incorporation and bylaws, and rules and regulations of the commissioner, a mutual bank may:

(1) Raise funds through deposit, share or other accounts, including demand deposit accounts, hereafter referred to as "accounts"; and

(2) issue passbooks, certificates or other evidence of accounts.

(b) No mutual bank shall permit any overdraft, including an intra-day overdraft, on behalf of an affiliate, or incur any overdraft in its account at a federal reserve bank or federal home loan bank on behalf of an affiliate.

(c) A mutual bank may require no less than a 14-day notice prior to payment of savings accounts, if the articles of incorporation or bylaws of the bank or the rules and regulations of the commissioner so provide.

(d) If a mutual bank does not pay all withdrawals in full, subject to the right of the bank, where applicable, to require notice, the payment of withdrawals from accounts shall be subject to the provisions prescribed by the bank's articles of incorporation or bylaws or the rules and regulations of the commissioner. Except as authorized in writing by the commissioner, any mutual bank that fails to make full payment of any withdrawal when due shall be deemed to be in an unsafe or unsound condition.

(e) A depositor of a mutual bank shall be a voting member and shall have such ownership interest in the bank as may be provided in the articles of incorporation and bylaws of the bank.

(f) The articles of incorporation and the bylaws of a mutual bank may provide that all borrowers from the bank are members and, if so, shall provide for their rights and privileges.

(g) All savings accounts and demand accounts shall have the same priority upon liquidation.

(h) This section shall be a part of and supplemental to the state banking code.

History: L. 2018, ch. 75, § 1; July 1.